

House Bill 216 (COMMITTEE SUBSTITUTE) (AM)

By: Representatives Neal of the 1<sup>st</sup>, Ralston of the 7<sup>th</sup>, Miller of the 106<sup>th</sup>, Burmeister of the 119<sup>th</sup>, Sheldon of the 105<sup>th</sup>, and others

A BILL TO BE ENTITLED  
AN ACT

1 To amend Chapter 13 of Title 16 of the Official Code of Georgia Annotated, relating to  
2 controlled substances, so as to limit the sale and manner of sale of products containing  
3 pseudoephedrine; to provide for exceptions; to provide for mitigation of punishment under  
4 certain circumstances; to provide for penalties; to restrict the sale, transfer, manufacture,  
5 purchase for resale, and furnishing of certain substances; to provide for definitions; to  
6 authorize the State Board of Pharmacy to promulgate certain rules and regulations; to provide  
7 for licensing and permitting of persons who sell, transfer, purchase for resale, or otherwise  
8 furnish or possess certain chemicals; to require certain records to be maintained; to provide  
9 for exceptions; to provide for certain forfeitures; to provide for penalties; to provide for  
10 certain reports; to provide that it is illegal for a person to possess any substance with the  
11 intent to use such substance in the manufacture of a Schedule I or Schedule II controlled  
12 substance or to knowingly convey such substance to another for use in the manufacture of  
13 a Schedule I or Schedule II controlled substance; to provide for certain considerations with  
14 regard to determining whether such substances were possessed illegally; to provide for  
15 exceptions; to provide for penalties; to provide for related matters; to provide an effective  
16 date; to repeal conflicting laws; and for other purposes.

17 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

18 **SECTION 1.**

19 Chapter 13 of Title 16 of the Official Code of Georgia Annotated, relating to controlled  
20 substances, is amended by adding a new subsection (b.1) to Code Section 16-13-30.3,  
21 relating to possession of substances containing ephedrine, pseudoephedrine, and  
22 phenylpropanolamine, to read as follows:

23 "(b.1)(1) Products whose sole active ingredient is pseudoephedrine may be offered for  
24 retail sale only if sold in blister packaging. Such products may not be offered for retail  
25 sale by self-service, but only from behind a counter or other barrier so that such products  
26 are not directly accessible by the public but only by a retail store employee or agent.

1 (2) No person shall deliver in any single over the counter sale more than three packages  
2 of any product containing pseudoephedrine as the sole active ingredient or in combination  
3 with other active ingredients or any number of packages that contain a combined total of  
4 more than nine grams of pseudoephedrine or its base, salts, optical isomers, or salts of its  
5 optical isomers.

6 (3) It shall be unlawful for a retail distributor to purchase any product containing  
7 pseudoephedrine from any person or entity other than a manufacturer or a wholesaler  
8 licensed by the Georgia Board of Pharmacy.

9 (4) This subsection shall not apply to:

10 (A) Pediatric products labeled pursuant to federal regulation as primarily intended for  
11 administration to children under 12 years of age according to label instructions; and

12 (B) Products that the Georgia Board of Pharmacy, upon application of a manufacturer,  
13 exempts because the product is formulated in such a way as to effectively prevent the  
14 conversion of the active ingredient into methamphetamine or its salts or precursors.

15 (5) This subsection shall preempt all local ordinances or regulations governing the retail  
16 sale of over the counter products containing pseudoephedrine by a retail business.

17 (6)(A) Except as otherwise provided herein, it shall be unlawful for any person  
18 knowingly to violate any prohibition contained in paragraph (1), (2), or (3) of this  
19 subsection.

20 (B) Any person convicted of a violation of paragraph (1) or (2) of this subsection shall  
21 be guilty of a misdemeanor which, upon the first conviction, shall be punished by a fine  
22 of not more than \$500.00, and, upon the second or subsequent conviction, shall be  
23 punished by not more than six months' imprisonment or a fine of not more than  
24 \$1,000.00, or both.

25 (C) Any person convicted of a violation of paragraph (3) of this subsection shall, upon  
26 the first conviction, be guilty of a misdemeanor and, upon the second or subsequent  
27 conviction, be guilty of a misdemeanor of a high and aggravated nature.

28 (D) It shall be a defense to a prosecution of a retail business or owner or operator  
29 thereof for violation of paragraph (1) or (2) of this subsection that, at the time of the  
30 alleged violation, all of the employees of the retail business had completed training  
31 under Georgia Meth Watch, the retail business was in compliance with Georgia Meth  
32 Watch, and the defendant did not knowingly, willfully, or intentionally violate  
33 paragraph (1) or (2) of this subsection. For purposes of this subsection only, the term  
34 'Georgia Meth Watch' shall mean that program entitled 'Georgia Meth Watch' or similar  
35 program which has been promulgated, approved, and distributed by the Georgia  
36 Council on Substance Abuse.

1 (7) Except as otherwise provided in this subsection, the State Board of Pharmacy may  
 2 adopt reasonable rules and regulations to effectuate the provisions of this subsection. The  
 3 board is further authorized to charge reasonable fees to defray expenses incurred in  
 4 maintaining any records or forms necessitated by this subsection or otherwise  
 5 administering any other provisions of this subsection."

## 6 SECTION 2.

7 Said chapter is further amended by adding a new Code Section 16-13-30.4 to read as follows:  
 8 "16-13-30.4.

9 (a) As used in this Code section and unless otherwise specified, the term 'board' or 'Board  
 10 of Pharmacy' shall mean the Georgia State Board of Pharmacy.

11 (b)(1) A wholesaler who sells, transfers, purchases for resale, or otherwise furnishes any  
 12 product containing pseudoephedrine must first obtain a license annually from the Board  
 13 of Pharmacy.

14 (2) The content of the application for a license shall include, but not be limited to, the  
 15 following information:

16 (A) Name of business;

17 (B) Physical address and mailing address of business;

18 (C) Telephone number of business;

19 (D) Names and physical home addresses of business owners;

20 (E) Location of all storage facilities used by the business for products whose sole  
 21 active ingredient is pseudoephedrine; and

22 (F) Criminal history of all business owners.

23 (3) Every wholesaler licensed as provided in this Code section shall:

24 (A) Submit reports, upon verbal or written request from the Georgia Drugs and  
 25 Narcotics Agency, the Georgia Bureau of Investigation, or the sheriff of a county or the  
 26 police chief of a municipality located in this state, to account for all transactions with  
 27 persons or firms located within this state; such reportable transactions shall include all  
 28 sales, distribution, or transactions dealing with products containing pseudoephedrine;  
 29 and

30 (B) Within seven days, notify the Georgia Drugs and Narcotics Agency of any  
 31 purchases of products containing pseudoephedrine from the wholesaler which the  
 32 wholesaler judges to be excessive.

33 (4) Whenever any firm or person located in this state receives, purchases, or otherwise  
 34 gains access to products containing pseudoephedrine from any wholesaler, whether  
 35 located in or outside this state, such firm or person shall maintain a copy of such  
 36 wholesaler's license issued by the Georgia State Board of Pharmacy. Such firm or person

1 shall maintain copies of all invoices, receipts, and other records regarding such products  
2 containing pseudoephedrine for a minimum of three years from the date of receipt,  
3 purchase, or access. Failure to maintain records to verify the presence of any and all  
4 products containing pseudoephedrine being held by a firm or person shall subject such  
5 products containing pseudoephedrine to being embargoed or seized by proper law  
6 enforcement authorities until such time as proof can be shown that such products  
7 containing pseudoephedrine were obtained from a Georgia licensed wholesaler.

8 (5) Agents of the Georgia Drugs and Narcotics Agency, agents of the Georgia Bureau  
9 of Investigation, and the sheriff of a county or the police chief of a county or municipality  
10 in this state in which a firm or person that receives, purchases, or otherwise gains access  
11 to products containing pseudoephedrine is located may request to review the receiving  
12 records for such products. Failure to provide such records within five business days  
13 following such request to account for the presence of such products shall result in the  
14 embargo or seizure of such products.

15 (c) A license or permit obtained pursuant to this Code section shall be denied, suspended,  
16 or revoked by the Board of Pharmacy upon finding that the licensee or permit holder has:

17 (1) Furnished false or fraudulent material information in any application filed under this  
18 Code section;

19 (2) Been convicted of a crime under any state or federal law relating to any controlled  
20 substance;

21 (3) Had his or her federal registration suspended or revoked to manufacture, distribute,  
22 or dispense controlled substances;

23 (4) Violated the provisions of Chapter 4 of Title 26; or

24 (5) Failed to maintain effective controls against the diversion of products containing  
25 pseudoephedrine to unauthorized persons or entities.

26 (d) The Board of Pharmacy may adopt reasonable rules and regulations to effectuate the  
27 provisions of this Code section. The board is further authorized to charge reasonable fees  
28 to defray expenses incurred in issuing any licenses or permits, maintaining any records or  
29 forms required by this Code section, and the administration of the provisions of this Code  
30 section.

31 (e) Notwithstanding any other provision of this Code section to the contrary, no person  
32 shall be required to obtain a license or permit for the sale, receipt, transfer, or possession  
33 of a product containing pseudoephedrine when:

34 (1) Such lawful distribution takes place in the usual course of business between agents  
35 or employees of a single regulated person or entity; or

36 (2) A product containing pseudoephedrine is delivered to or by a common or contract  
37 carrier for carriage in the lawful and usual course of the business of the common or

1 contract carrier or to or by a warehouseman for storage in the lawful and usual course of  
2 the business of the warehouseman.

3 (f) All products containing pseudoephedrine that have been or that are intended to be sold,  
4 transferred, purchased for resale, possessed, or otherwise transferred in violation of a  
5 provision of this Code section shall be subject to forfeiture to the state and no property  
6 right shall exist in them.

7 (g)(1) Any person who sells, transfers, receives, or possesses a product containing  
8 pseudoephedrine violates this Code section if the person:

9 (A) Knowingly fails to comply with the reporting requirements of this Code section;

10 (B) Knowingly makes a false statement in a report or record required by this Code  
11 section or the rules adopted thereunder; or

12 (C) Is required by this Code section to have a license or permit and knowingly or  
13 deliberately fails to obtain such a license or permit.

14 (2) It shall be illegal for a person to possess, sell, transfer, or otherwise furnish a product  
15 containing pseudoephedrine if such person possesses, sells, transfers, or furnishes the  
16 substance with the knowledge or intent that the substance will be used in the unlawful  
17 manufacture of a controlled substance.

18 (3)(A) A person who violates paragraph (2) of this subsection shall be guilty of a  
19 felony and, upon conviction thereof, shall be punished by imprisonment for not less  
20 than one nor more than 15 years or by a fine not to exceed \$100,000.00, or both.

21 (B) A person who violates any provision of this Code Section other than paragraph (2)  
22 of this subsection shall be guilty of a misdemeanor on the first offense and a  
23 misdemeanor of a high and aggravated nature on the second and subsequent offenses."

### 24 SECTION 3.

25 Said chapter is further amended by adding a new Code Section 16-13-30.5 to read as follows:  
26 "16-13-30.5.

27 (a) It shall be illegal for a person to possess, whether acquired through theft or other  
28 means, any substance with the intent to:

29 (1) Use such substance in the manufacture of a Schedule I or Schedule II controlled  
30 substance; or

31 (2) To knowingly convey such substance to another for use in the manufacture of a  
32 Schedule I or Schedule II controlled substance.

33 (b) In determining whether a particular substance is possessed with the intent required to  
34 violate subsection (a) of this Code section, the court or other authority making such a  
35 determination may, in addition to all other logically relevant factors, consider the  
36 following:

- 1 (1) Statements by the owner or anyone in control of the substances concerning its use;  
2 (2) Prior convictions, if any, of the owner or of anyone in control of the substances for  
3 violation of any state or federal law relating to the sale or manufacture of controlled  
4 substances;  
5 (3) Instructions or descriptive materials of any kind accompanying the substance or  
6 found in the owner's or controlling person's possession concerning, explaining, or  
7 depicting its use;  
8 (4) The manner in which the substance is displayed or offered for sale;  
9 (5) The quantity and location of the substance considered in relation to the existence and  
10 scope of legitimate uses for the substance in the community; and  
11 (6) Expert testimony concerning the substance's use.  
12 (c) This Code section shall not apply where possession was by a person authorized by law  
13 to dispense, prescribe, manufacture, or possess the substance in question.  
14 (d) A person who violates this Code section shall be guilty of a felony and, upon  
15 conviction thereof, shall be punished by imprisonment for not less than one nor more than  
16 fifteen years or by a fine not to exceed \$100,000.00, or both."

17 **SECTION 4.**

18 This Act shall become effective on January 1, 2006.

19 **SECTION 5.**

20 All laws and parts of laws in conflict with this Act are repealed.